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12 January 1956

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**CURRENT
INTELLIGENCE
BULLETIN**

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OFFICE OF CURRENT INTELLIGENCE
CENTRAL INTELLIGENCE AGENCY

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2. STRIFE BETWEEN CYPRIOT GREEKS AND TURKS THREATENS

Comment on:

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The assassination of a Turkish Cypriot police officer of Turkish extraction on 11 January has resulted in demonstrations by the

Turkish population in Nicosia. Until now the Turkish community on Cyprus has shown moderation during the negotiations between Cypriot nationalists and the British although its vital interests are involved. Anti-Greek feeling among Turkish Cypriots is being inflamed by VOLKAN, the Turkish underground organization on Cyprus, which threatens to kill five Greeks in retaliation for the officer's murder.

In Istanbul, persistent rumors that the Turkish mufti on Cyprus has been assassinated and that other anti-Turkish atrocities have been committed have resulted in special police precautions to prevent a repetition of the September riots against the Greeks.

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5. UNOFFICIAL FRENCH TRADE MISSION TO VISIT
COMMUNIST CHINA

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A trade mission sponsored by the French Employers' Association will leave for Peiping on 18 January "to review trade possibilities with Communist China." According to a French Foreign Ministry official, any Chinese proposals for trade in embargoed items will be scrutinized by the Paris government, which will grant only a "reasonable" number of exceptions to trade controls.

The Foreign Ministry spokesman stressed the unofficial nature of the mission and the effort to exclude members whose presence might indicate a change in the French attitude toward Communist China.

Comment

French business interests have long argued that they should have a larger share of China trade. The French are aware of the recent British proposal to eliminate special controls on trade with China.

The appearance of this mission in Peiping will intensify pressure against the CHINCOM controls by other countries of the free world, particularly Japan, which foresee an end to the multilateral embargo on China trade and are anxious to seize what Chinese trade opportunities there may be. (Concurred in by ORR)

**6. SOUTH VIETNAM MAY PROCLAIM ELECTION LAW ON
15 JANUARY**

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[REDACTED] [REDACTED]
An election law providing for a national assembly of approximately 125 seats will be announced in South Vietnam on 15 January and elections will take place

in late February or early March, [REDACTED]

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[REDACTED] Sixty seats will be allotted to southern Vietnam, 40 to central Vietnam, 12 to various mountain tribes, and 11 to refugees. One assembly seat will be left vacant as a symbol of missing North Vietnamese representation.

The government slate will be composed of representatives from the Movement of Struggle for Freedom, the Citizen's Rally, and the National Revolutionary Movement, with the last providing the majority of the candidates. Although independent candidates will be permitted to campaign, [REDACTED] predicts that this coalition will win most of the seats. [REDACTED]

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Comment

The Diem government has been carefully preparing for the election of a legislature and will probably be as successful as it was in the nationwide referendum last October which deposed Bao Dai and installed Diem as chief of state. The chief task of the new assembly will be to approve a constitution now being drafted under Diem's supervision and other basic legislation designed to ensure stability in South Vietnam.

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7. INDONESIAN CABINET CRISIS MAY BE IMMINENT

Comment on:

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The Indonesian parliament, which has just reconvened, is scheduled to debate the government's New Guinea policy at its first plenary session on 16 January and the defection of two parties in Premier Harahap's coalition cabinet in a showdown vote might lead to the cabinet's downfall. The government has been criticized for failure to assert aggressively Indonesia's claim to sovereignty over West New Guinea in current negotiations with the Netherlands.

Harahap is prepared to go to great lengths to remain in office until the parliament elected last fall is seated in the spring. He may decide not to resume the talks with the Dutch, which are now in recess, and might sacrifice his foreign minister in the hope of retaining sufficient parliamentary support.

Even such moves as these, however, might not save his government. Two parties in the government coalition, one of them the newly powerful Nahdlatul Ulama, have already dissociated themselves from the negotiations with the Netherlands. Harahap's survival may depend to a great extent on Sukarno, who probably wields enough influence to engineer a no-confidence vote if he so desires.

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THE ARAB-ISRAELI SITUATION
(Information as of 1700, 11 January)

Nothing of significance to report.

CONFIDENTIAL

BIWEEKLY SUMMARY
29 December 1955-11 January 1956

THE TAIWAN STRAIT

**Report of the IAC Current Intelligence Group
for the Taiwan Strait Problem**

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1. There has been no significant military activity in the area.

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3. The Chinese Communists have announced that the coastal road, which has been under construction from Foochow north to Wenchow, was "placed in service" on 1 January. The capacity of this important link with the offshore island area cannot now be determined, as it is probably limited by the lack of bridges at four different points along the road. When the bridges are constructed to replace ferries, the road will be capable of supporting heavy traffic.

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The Communists have also announced that an additional 500 miles of road networks will be built in Fukien Province during 1956.

4. Peiping's propaganda, while stating that Communist China "will continue to work for an agreement" at Geneva, took on a threatening tone with the assertion that "the Chinese people will not consent to the endless dragging out of the Sino-American talks." In other comment, Peiping referred to the "ceaseless visits by American top brass" to Taiwan. The visits of Secretary Quarles and

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Admiral Radford to Taiwan were said to be for the purpose of discussing the "scope and timing of the eventual participation of US forces in the defense of the offshore islands."

Despite the threatening tone of Peiping's propaganda, it is unlikely that the Chinese Communists will initiate a break in the Geneva talks in the immediate future. A break in the talks would appear to require more negotiating and propaganda preparation than is now in evidence.

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